



JULIE LASSA

STATE SENATOR

Assembly
PUBLIC HEARING ON SENATE BILL 88
Committee on Insurance
Wednesday, February 27, 2008
9:00 a.m.
412 E

Chairman Lasee and Committee Members,

Thank you for the opportunity to provide testimony today on Senate Bill 88.

Every year, about 200 Wisconsin infants are born with permanent hearing loss. Sometimes, hearing loss is not detected until a child is 2, 3 or even 4 years old. Hearing loss in children affects language development, academic achievement and can lead to social isolation. Statistics have shown that most deaf and hard-of-hearing children read at a 4th grade level upon high school graduation and have a 76% unemployment rate after graduation.

Hearing aids and cochlear implants greatly reduce these problems for kids. Unfortunately, Wisconsin law does not mandate that insurance companies cover hearing aids or cochlear implants and parents must pay out of pocket – as much as \$3,000 per hearing aid, for their children. Many children wear two hearing aids that need to be replaced about every three years, resulting in a cost of \$18,000 through their childhood.

Because many insurance companies don't cover the cost of cochlear implants or hearing aids, many school districts have to purchase special equipment for teachers to communicate with hearing impaired students as part of their Individual Education Plan. The costs for the equipment is passed along to taxpayers, as are special education costs because these children were not able to receive hearing aids or implants at a young enough age, as well as costs later in life for vocational rehabilitation.

Research shows that early intervention in children with hearing loss can provide a savings of \$5,000 - \$10,000 per child per year in reduced or eliminated special education services and a savings of about 1 million dollars per person over their lifetime. In Wisconsin, that correlates to a taxpayer savings of \$2 million a year.

WTMJ in Milwaukee has reported that if insurance companies were mandated to cover cochlear implants and hearing aids, it would increase the average insurance premium by \$1.27 per year...that's about a dime a month. Insurance companies need to start picking up the tab on medically necessary equipment instead of passing it along to taxpayers.

Many families are forced to drain their savings accounts, use their children's college funds, use credit cards or take out second mortgages just to give their children a chance to overcome the obstacles they face. Yet most insurance policies state that hearing aids are cosmetic in nature, and do not cover them.

Currently, nine states, including Illinois and Minnesota, mandate that insurance companies cover hearing aids.

Senate Bill 88, as amended, guarantees that all children up to the age of 11 who are diagnosed as deaf or severely hearing impaired by a physician or by an audiologist licensed can receive hearing aids or cochlear implants through their parent's insurance policy

The coverage requirement applies to both individual and group health insurance policies. Currently, Medical Assistance and BadgerCare programs pay for hearing aids and implants so this legislation may modestly reduce the costs to MA and BadgerCare if private insurance companies begin to pick up these costs.

Thank you for your time and consideration of this issue. I would be happy to answer any questions that you may have.